

City of Nashua

**AMERICAN RESCUE PLAN
ACT (“ARPA”)**

FUNDING PRESENTATION

September 8, 2021

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ARPA FUNDING PRESENTATION

Background and History

- § On March 11, 2021, the President of the United States signed into law the American Rescue Plan Act of 2021 (ARPA), Pub. L. No. 117-2. This law provides resources through the new Coronavirus Local Fiscal Recovery Fund (CLFRF) to local governments to respond to the public health emergency caused by the Coronavirus Disease (COVID-19).
- § The American Rescue Plan (ARP) Act of 2021 is a historic \$1.9 trillion economic stimulus bill. Within the ARPA, the Coronavirus Local Fiscal Recovery Fund provides \$350 billion for states, municipalities, counties, tribes, and territories, including \$65.1 billion for cities throughout the U.S.
- § According to those estimates, state government aid for New Hampshire totals just over \$994,555,870 with \$85,981,000 for the 5 communities that receive direct Community Development Block Grant awards and a total of nearly \$112.0 million for the state's other 226 municipalities (representing approximately 99% participation in the program)

ARPA FUNDING PRESENTATION

Background and History

- § The U.S. Treasury Department announced that Nashua will receive **\$16,138,777** in federal funding as part of the American Rescue Plan Act.
 - \$1.2 million is needed for FY '22 revenue replacement -&- \$500K for Back-Up Servers
 - Approximately **\$14,438,777** available

- § In addition, Hillsborough County will receive Approximately \$81.0 million indirect funding
 - How is this money being used?
 - Efforts Are Underway to Better understand the County's priorities
 - This is a very important available funding source that should be monitored

- § The U.S. Treasury also released the Interim Final Rule (IFR) for the program that sets forth eligible uses for funding, which includes responding to acute pandemic-response needs, filling revenue shortfalls, and supporting the communities and populations hardest-hit by COVID-19.

ARPA FUNDING PRESENTATION

Background and History

US Treasury CLFRF Resources

- [Coronavirus State and Local Fiscal Recovery Funds – US Treasury webpage](#)
- [Interim Final Rule](#)
- [FAQs](#)
- [Fact Sheet](#)
- [Quick Reference Guide](#)
- [Allocation for Metropolitan Cities](#)

ARPA FUNDING PRESENTATION

Key Dates

KEY DATES RELATED TO THE RECOVERY FUND

- § January 27, 2020: Declaration of the public health crisis
- § March 3, 2021: Beginning of the Recovery Fund “covered period”
- § March 11, 2021: American Rescue Plan Act of 2021 (ARPA), Pub. L. No. 117-2
- § May 11, 2021: U.S. Treasury issues Interim Final Rule
- § July 9, 2021: Deadline to comment on U.S. Treasury’s Interim Final Rule on Recovery Fund
- § Late July, 2021: Treasury issues Final Rule
- § December 31, 2024: Recovery Funds must be obligated
- § December 31, 2026: Recovery Funds must be spent & all work/performance must be completed

Eligible Uses –Local Fiscal Recovery Funds

These funds provide substantial flexibility for cities to address impacts and meet the needs of its community



Replace Public Sector Revenue Loss

Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic



Support Public Health Response

Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff



Address Negative Economic Impacts

Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector



Water, Sewer, and Broadband Infrastructure

Make necessary investments to improve access to clean drinking water, invest in wastewater and stormwater infrastructure, and expand broadband access

Eligible Uses – Revenue Replacement



Revenue Replacement for Government Services Revenue Loss

Use funds to provide government services to the extent of the reduction in revenue experienced due to the pandemic

- General revenue includes revenue from taxes, current charges, and miscellaneous general revenue. It excludes refunds and other correcting transactions, proceeds from issuance of debt or the sale of investments, agency or private trust transactions, and revenue generated by utilities and insurance trusts. General revenue also includes intergovernmental transfers between state and local governments, but excludes intergovernmental transfers from the Federal government, including Federal transfers made via a state to a locality pursuant to the Coronavirus Relief Funds (CRF) or the Fiscal Recovery Funds.
- Cities are permitted to calculate the extent of reduction in revenue as of four points in time: Dec. 31, 2020; Dec. 31, 2021; Dec. 31, 2022; and Dec. 31, 2023. This approach recognizes that some recipients may experience lagged effects of the pandemic on revenues. Upon receiving Fiscal Recovery Fund payments, recipients may immediately calculate revenue loss for the period ending Dec. 31, 2020.

Eligible Uses – Public Health Response



Support Public Health Response

Fund COVID-19 mitigation efforts, medical expenses, behavioral healthcare, and certain public health and safety staff

- § Expenses may include vaccination programs; medical care; testing; contact tracing; support for isolation or quarantine; supports for vulnerable populations to access medical or public health services; public health surveillance (e.g., monitoring case trends, genomic sequencing for variants);
- § Enforcement of public health orders; public communication efforts; enhancement to health care capacity, including through alternative care facilities; purchases of personal protective equipment; support for prevention, mitigation, or other services in congregate living facilities (e.g., nursing homes, incarceration settings, homeless shelters, group living facilities) and other key settings like schools; ventilation improvements in congregate settings, health care settings, or other key locations; Enhancement of public health data systems; and other public health responses.
- § Capital investments in public facilities to meet pandemic operational needs are also eligible, such as physical plant improvements to public hospitals and health clinics or adaptations to public buildings to implement COVID-19 mitigation tactics.

Eligible Uses – Direct Assistance



Address Negative Economic Impacts

Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector

Eligible uses in this category include assistance to households; small businesses and non-profits; and aid to impacted industries.

- § Assistance to households includes but is not limited to: food assistance; rent, mortgage, or utility assistance; counseling and legal aid to prevent eviction or homelessness; cash assistance; emergency assistance for burials, home repairs, weatherization, or other needs; internet access or digital literacy assistance; or job training to address negative economic or public health impacts experienced due to a worker's occupation or level of training.

Eligible Uses – Direct Assistance



Address Negative Economic Impacts

Respond to economic harms to workers, families, small businesses, impacted industries, and the public sector

§ Assistance to small business and non-profits includes, but is not limited to:

- Loans or grants to mitigate financial hardship such as declines in revenues or impacts of periods of business closure; payroll and benefits costs, costs to retain employees, mortgage, rent, or utilities costs, and other operating costs.
- Loans, grants, or in-kind assistance to implement COVID-19 prevention or mitigation tactics, such as physical plant changes to enable social distancing, enhanced cleaning efforts, barriers or partitions.
- Technical assistance, counseling, or other services to assist with business planning needs
- Premium pay for essential workers.

§ Aid provided to tourism, travel, and hospitality industries should respond to the negative economic impacts of the pandemic.

Eligible Uses – Water, Sewer, and Broadband Infrastructure



Water, Sewer, and Broadband Infrastructure

Make necessary investments to improve access to clean drinking water, invest in wastewater and stormwater infrastructure, and expand broadband access

- Under the Drinking Water State Revolving Fund (DWSRF), categories of eligible projects include: treatment, transmission, and distribution (including lead service line replacement), source rehabilitation and decontamination, storage, consolidation, and new systems development.
- Under the Environmental Protection Agency's Clean Water State Revolving Fund (CWSRF), categories of eligible projects include: construction of publicly owned treatment works, nonpoint source pollution management, national estuary program projects, decentralized wastewater treatment systems, stormwater systems, water conservation, efficiency, and reuse measures, watershed pilot projects, energy efficiency measures for publicly-owned treatment works, water reuse projects, security measures at publicly-owned treatment works, and technical assistance to ensure compliance with the Clean Water Act.

Eligible Uses – Water, Sewer, and Broadband Infrastructure



Water, Sewer, and Broadband Infrastructure

Make necessary investments to improve access to clean drinking water, invest in wastewater and stormwater infrastructure, and expand broadband access

- Eligible projects under the DWSRF and CWSRF support efforts to address climate change, as well as to meet cybersecurity needs to protect water and sewer infrastructure. Given the lifelong impacts of lead exposure for children, and the widespread nature of lead service lines, Treasury also encourages recipients to consider projects to replace lead service lines.
- Costs for construction on eligible water, sewer, or broadband infrastructure projects must be obligated by Dec. 31, 2024. The period of performance will run until Dec. 31, 2026, which will provide recipients a reasonable amount of time to complete projects funded with Fiscal Recovery Funds.

Eligible Uses – Water, Sewer, and Broadband Infrastructure



Water, Sewer, and Broadband Infrastructure

Make necessary investments to improve access to clean drinking water, invest in wastewater and stormwater infrastructure, and expand broadband access

- Broadband improvements require eligible projects to reliably deliver minimum speeds of 100 Mbps download and 100 Mbps upload. In cases where it is impracticable due to geography, topography, or financial cost to meet those standards, projects must reliably deliver at least 100 Mbps download speed, at least 20 Mbps upload speed, and be scalable to a minimum of 100 Mbps download speed and 100 Mbps upload speed. Projects must also be designed to serve unserved or underserved households and businesses, defined as those that are not currently served by a wireline connection that reliably delivers at least 25 Mbps download speed and 3 Mbps of upload speed.

Ineligible Uses –Local Fiscal Recovery Funds



Pension Fund Deposits

Extraordinary contributions to a pension fund for the purpose of reducing an accrued, unfunded liability are ineligible. Funds can be used for routing payroll contributions for employee pensions.



Rainy Day Funds or Financial Reserves

Replenishing rainy day or other reserve funds is not considered a government service and is therefore ineligible.



General Infrastructure

General infrastructure spending above the amount allocated under the revenue loss provision is not covered as an eligible use except for water, sewer, and broadband infrastructure.



Debt Service & Legal Settlements

Paying interest or principal on outstanding debt and expenses related to legal settlements or judgements do not qualify.

GUIDING PRINCIPLES

- **The funds should be used in a manner where there is a meaningful & lasting impact**
- **Be strategic while deciding how these funds should be used to improve the community**
- **Be mindful it is one time infusion of funds**

Community Engagement

ARPA Funding Public Input



What do you think?
Your input is valuable & encouraged

Providing Comments

If you have comments to share, please fill out - [this form](#) - by October 8th 2021.

Two Virtual Forums

On September 21st & 23rd 7-8PM the Office of Economic Development will host a Virtual Forum to present the proposed ARPA framework, answer questions, and solicit additional feedback. If interested in attending please email Amy DeRoche at: derochea@nashuanh.gov

In Person Forum

On September 29th 5 PM the Office of Economic Development will host an in-person Forum to present the proposed ARPA framework, answer questions, and solicit additional feedback. If interested in attending, please email Amy DeRoche at: derochea@nashuanh.gov

Virtual Business Forums

On September 22nd 10 AM the Office of Economic Development will host a Virtual Forum to present the proposed ARPA framework, answer questions, and solicit additional feedback. Specifically outreaching and hearing from businesses and their employees. If interested in attending please email Amy DeRoche at: derochea@nashuanh.gov

Timeline

The goal is to present an updated ARPA framework to the Board of Aldermen at the October 12th meeting and to provide a report to the appropriate subcommittee the ultimate goal is to finalize the report and spending by mid-fall.

DISCUSSION



Plan A – Future Revenue Replacement

- Look to spend approximately \$13.0 million to stabilize the operating budget
 - This is a rough estimate for illustrative purposes
 - Try to keep a stable residential tax rate over the coming years



Plan B – Affordable Housing

- Look to put approximately \$10.0 million into affordable housing



Plan C – Main Street Reconfiguration

- Look to spend approximately \$12.0 million on reconfiguring Main Street (& side streets)

*Please note this numbers are for illustrative purposes

Let's Try To Avoid Kitchen Sink Approach

